

ADMINISTRATION SUBCONTRACTS

OVERVIEW

Background

The MCAH Branch allows agencies to enter into subcontract agreements for services outlined in the Scope of Work (SOW).

Subcontracts must include provisions requiring compliance with the terms and conditions, and requirements of the MCAH Allocation Funding Application (AFA) or Grant Funding Application (GFA) including Federal Financial Participation (FFP). (Please refer to these specific program requirements for details.)

Subcontract agreements must include, but are not limited to, these five key elements:

- Name of parties entering into agreement
 - Term of the agreement
 - Scope of services as explained in the SOW
 - Maximum amount payable
 - Cancellation clause
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Purpose

The purpose of this section is to provide you with information on general policies and requirements on Administration Subcontracts

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ADMINISTRATION SUBCONTRACTS

SUBCONTRACTS INSTRUCTIONS

Policy

- Agencies intending to utilize a subcontractor to meet the objectives in the MCAH AFA or AGA SOW must comply with the following instructions in this section.
- A subcontract must relate to only one prime agreement Subcontracts cannot be co-mingled between existing MCAH agreements.
- Prior written approval from the MCAH Branch is required to reimburse the Agency for subcontracts exceeding \$5,000.
- Multiple agreements with a single subcontractor must be approved by the MCAH Branch when the aggregate total exceeds \$5,000.
- Funds expended by a subcontractor prior to the prime contractor obtaining MCAH Branch written approval for the subcontract may not be reimbursable in the event the MCAH Branch should subsequently disapprove the proposed subcontract.
- Unless otherwise agreed to in writing by the MCAH Branch, the Agency is the subcontractor's sole point of contact for all matters related to the performance and payment under the MCAH AFA or AGA.
- The Agency remains responsible for all requirements under the MCAH AFA or AGA even though the requirements are carried out through a subcontract.
- The maximum amount payable to the subcontractor must be specified in the subcontract and must be equal to or less than the amount of the specific MCAH AFA or AGA.
- The State is liable only for actual costs attributed to the numbered line items identified on the Budget Summary Page that are related to the SOW.

Requirements

A brief (one page or less) explanation of the reason for subcontracting for specific activities or goods, and how the subcontractor was chosen, is required to be submitted with the Subcontract Package.

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SUBCONTRACTS INSTRUCTIONS

Procedure

All Subcontract Agreement Packages must consist of the following documents listed in the Procedure below:

- Subcontract Approval Request Cover Letter
- Subcontract Transmittal Form (see instructions in forms section)
- Subcontractor/Agency Agreement, which must include the 5 key elements:
 - Name of parties entering into agreement
 - Scope of Services
 - Term of agreement
 - Maximum Amount Payable
 - Cancellation Clause
 - Proposed SOW - The State MCAH SOW format is recommended, however, if the recommended format is not used an alternative format must contain the following:
 - ❖ Goals - Must be stated as in the State MCAH SOW
 - ❖ Objectives - Must be stated as in the State MCAH SOW, however, more detail and additional activities can also be added. Activities performed by the subcontractor must be specifically identified in the primary SOW.
 - ❖ Implementation Activities – Same instructions as for objectives above.
 - ❖ Timelines – Do not have to be the same as stated in the MCAH SOW however, the timelines must be within the term of the primary SOW.
 - ❖ Budget - All Subcontract budgets must be submitted for MCAH review and approval on the correct MCAH Budget/Invoice file.
 - ❖ Detailed Budget Justification Narrative